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**FOURTH SUPPLEMENTAL INDENTURE**

**between**

**JEFFERSON COUNTY, ALABAMA**

**and**

**THE BANK OF NEW YORK**

**Dated as of February 1, 2002**

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**Relating to**

**\$110,000,000**

**JEFFERSON COUNTY, ALABAMA**

**Sewer Revenue Capital Improvement Warrants  
Series 2002-A**

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**FOURTH SUPPLEMENTAL INDENTURE** between **JEFFERSON COUNTY, ALABAMA**, a political subdivision of the State of Alabama (herein called the "County"), and **THE BANK OF NEW YORK**, a New York banking corporation in its capacity as successor to AmSouth Bank of Alabama, as Trustee under that certain Trust Indenture of the County dated as of February 1, 1997 (said banking corporation in such capacity, as well as any successor trustee under said Trust Indenture, being herein called the "Trustee"),

## **RECITALS**

Under and pursuant to the provisions of the aforesaid Trust Indenture (herein called the "Original Indenture"), the County has heretofore issued \$211,040,000 principal amount of Sewer Revenue Refunding Warrants, Series 1997-A, dated February 1, 1997 (herein called the "Series 1997-A Warrants"), \$48,020,000 principal amount of Taxable Sewer Revenue Refunding Warrants, Series 1997-B, dated February 1, 1997 (herein called the "Series 1997-B Warrants"), and \$52,880,000 principal amount of Taxable Sewer Revenue Refunding Warrants, Series 1997-C, dated February 15, 1997 (herein called the "Series 1997-C Warrants"). The Series 1997-A Warrants, the Series 1997-B Warrants and the Series 1997-C Warrants were issued to refund certain indebtedness of the County that had been incurred to pay the costs of certain capital improvements to the County's sanitary sewer system (herein called the "System").

Under the provisions of Article X of the Original Indenture, the County reserved the right to issue, upon compliance with the conditions precedent set forth in said Article X, additional warrants, bonds, notes or other forms of indebtedness (herein called "Additional Parity Securities"), to be secured on a parity with securities previously issued under the Indenture, for the purposes of refunding any outstanding obligations of the County issued to finance capital improvements to the System and of financing the costs of acquiring and constructing capital improvements to the System. The County has heretofore issued as Additional Parity Securities its (a) \$296,395,000 aggregate principal amount of Sewer Revenue Warrants, Series 1997-D, dated March 1, 1997 (herein called the "Series 1997-D Warrants"), (b) its \$952,695,000 aggregate principal amount of Sewer Revenue Capital Improvement Warrants, Series 1999-A, dated March 1, 1999 (herein called the "Series 1999-A Warrants"), and (c) its \$275,000,000 aggregate principal amount of Sewer Revenue Capital Improvement Warrants, Series 2001-A, dated March 1, 2001 (herein called the "Series 2001-A Warrants"). The Series 1997-D Warrants, the Series 1999-A Warrants and the Series 2001-A Warrants were issued under the Original Indenture, as supplemented and amended by the First Supplemental Indenture dated as of March 1, 1997 (herein called the "First Supplemental Indenture"), the Second Supplemental Indenture dated as of March 1, 1999 (herein called the "Second Supplemental Indenture"), and the Third Supplemental Indenture dated as of March 1, 2001 (herein called the "Third Supplemental Indenture"), between the County and the Trustee.

The County proposes to sell and issue the Series 2002-A Warrants hereinafter referred to in order to obtain funds to pay the costs of additional capital improvements to the System. The County

has, by proper official action and pursuant to the provisions of the Original Indenture (as heretofore supplemented), duly authorized said Series 2002-A Warrants, which are to be secured by the Original Indenture, as supplemented hereby and by the First, Second and Third Supplemental Indentures, on a parity with the outstanding Series 1997-A Warrants, Series 1997-B Warrants, Series 1997-C Warrants, Series 1997-D Warrants, Series 1999-A Warrants and Series 2001-A Warrants (herein together called the "Outstanding Parity Securities"). This Fourth Supplemental Indenture has been executed and delivered in order to specify the details with respect to said Series 2002-A Warrants and to provide for certain other matters set forth herein.

**NOW, THEREFORE, THIS**

**FOURTH SUPPLEMENTAL INDENTURE**

**W I T N E S S E T H:**

It is hereby agreed among the County, the Trustee and the holders at any time of said Series 2002-A Warrants (the holders of said Series 2002-A Warrants evidencing their consent hereto by the acceptance of said Series 2002-A Warrants), each with each of the others, as follows:

**ARTICLE I**

**DEFINITIONS, FINDINGS AND USE OF PHRASES**

Section 1.1 **New Definitions.** Unless the context clearly indicates a different meaning, the following words and phrases, as used in this Fourth Supplemental Indenture, shall have the following respective meanings:

**"Affiliate"** of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control", when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

**"Alternate Rate Index"**, when used with respect to the Remarketing Agent's failure to determine an interest rate on a required determination date for the Variable Rate Mode or the Flexible Rate Mode, means 85% of the Prime Commercial Paper A-1/P-1 (30-day) rate shown in the table captioned "Short-Term Tax-Exempt Yields" in the edition of *The Bond Buyer* (or a successor publication) published on the determination date or, if not published on such date, in the most recent published edition.

**"Authorized Denominations"** means (i) for Series 2002-A Warrants bearing interest at the Variable Rate or the Flexible Rate, \$100,000 or any larger amount that is a multiple of \$5,000, and (ii) for Series 2002-A Warrants bearing interest at a Term Rate, \$5,000 or any multiple thereof.

**"Bank"** means JPMorgan Chase Bank, together with its successors and assigns, until a Substitute Standby Purchase Agreement shall have been accepted by the Trustee, and thereafter "Bank" shall mean the provider of such Substitute Standby Purchase Agreement.

**"Bank Event of Default"** means an "Event of Default" as such term is defined in the Standby Purchase Agreement.

**"Bank Indebtedness"** means all indebtedness or obligations of the County to the Bank under the terms of the Indenture, the Bank Warrants or the Standby Purchase Agreement, whether now existing or hereafter arising.

**"Bank Rate"** has the meaning assigned to such term in the Standby Purchase Agreement; provided, however, that such rate shall not exceed the Cap Rate applicable to Bank Warrants.

**"Bank Rate Interest Payment Date"** means a date on which interest calculated according to the Bank Rate is payable with respect to a Bank Warrant.

**"Bank Warrant"** means a Series 2002-A Warrant owned by the Bank after purchase pursuant to the Standby Purchase Agreement.

**"Bank Warrant Sale Price"**, when used with respect to a Bank Warrant that is remarketed, means the principal amount of such Series 2002-A Warrant plus interest accrued thereon at the Bank Rate to the date of remarketing of such Bank Warrant.

**"Bond Insurer"** means Financial Guaranty Insurance Company, a New York stock insurance company, or any successor thereto.

**"Cap Rate"** means (i) with respect to Series 2002-A Warrants other than Bank Warrants, 10% per annum, and (ii) with respect to Bank Warrants, 18% per annum.

**"Conversion Date"** means the day on which conversion from one Interest Rate Mode to a different Interest Rate Mode becomes effective.

**"Costs of Issuance"** means the expenses incurred by the County in connection with the issuance of the Series 2002-A Warrants, including legal, consulting, accounting and underwriting fees.

**"Debt Service"** means the principal, premium (if any) and interest payable on the Series 2002-A Warrants.

**"Eligible Warrants"**, when used with respect to Tendered Warrants to be purchased pursuant to the Standby Purchase Agreement, has the meaning assigned to such term in the Standby Purchase Agreement.

**"Expiration Date"**, when used with respect to any Standby Purchase Agreement, means the date on which the commitment of the Bank to purchase Series 2002-A Warrants actually terminates.

**"Favorable Tax Opinion"** means an Opinion of Counsel acceptable to the Trustee and the Bank stating in effect that the proposed action, together with any other changes with respect to the Series 2002-A Warrants made or to be made in connection with such action, will not cause interest on the Series 2002-A Warrants to become Taxable.

**"Financing Documents"** means the Indenture, the Remarketing Agreement and the Standby Purchase Agreement.

**"Financing Participants"** means the County, the Bank, the Trustee, the Remarketing Agent and the Tender Agent.

**"Flexible Rate"**, when used with respect to any Series 2002-A Warrant in the Flexible Rate Mode, means the fixed interest rate borne by such Series 2002-A Warrant during a Flexible Rate Period.

**"Flexible Rate Interest Payment Date"**, when used with respect to any Series 2002-A Warrant in the Flexible Rate Mode, means a date on which interest calculated at the Flexible Rate is payable on such Series 2002-A Warrant.

**"Flexible Rate Mode"** means the Interest Rate Mode in which a Series 2002-A Warrant bears interest at the Flexible Rate.

**"Flexible Rate Period"**, when used with respect to any Series 2002-A Warrant in the Flexible Rate Mode, means a period established pursuant to Section 2.2(b) during which such Series 2002-A Warrant bears interest at a Flexible Rate established for such period.

**"Fourth Supplemental Indenture" or "this Fourth Supplemental Indenture"** means this Fourth Supplemental Indenture.

**"Interest Payment Date"**, when used with respect to any installment of interest on a Series 2002-A Warrant, means the date specified herein and in such Series 2002-A Warrant as the fixed date on which such installment of interest is due and payable.

**"Interest Rate Mode"** means the Variable Rate Mode, the Flexible Rate Mode or the Term Rate Mode.



**"Mandatory Tender"** means a required tender of a Series 2002-A Warrant for purchase pursuant to Section 2.5.

**"Mandatory Tender Date"** means a date on which a Series 2002-A Warrant is to be purchased pursuant to a Mandatory Tender.

**"Maturity"**, when used with respect to any Series 2002-A Warrant, means the date specified herein and in such Series 2002-A Warrant as the fixed date on which principal of such Series 2002-A Warrant is due and payable.

**"Office of the Tender Agent"** means the designated office of the Tender Agent for hand delivery of notices and other documents.

**"Office of the Trustee"** means the designated office of the Trustee for hand delivery of notices and other documents.

**"Opinion of Counsel"** means an opinion from an attorney or firm of attorneys with experience in the matters to be covered in the opinion. Except as otherwise expressly provided in this Fourth Supplemental Indenture, the attorney or attorneys rendering such opinion may be counsel for one or more of the Financing Participants.

**"Optional Tender"** means a tender of a Series 2002-A Warrant for purchase at the option of the Holder thereof pursuant to Section 2.4.

**"Optional Tender Date"** means a date on which a Series 2002-A Warrant is to be purchased pursuant to an Optional Tender.

**"Post-Default Rate"** means (i) when used with respect to any payment of Debt Service on any Series 2002-A Warrant, the rate specified in such Series 2002-A Warrant for overdue installments of Debt Service on such Series 2002-A Warrant, computed as provided in such Series 2002-A Warrant, (ii) when used with respect to all other payments due under this Indenture, a variable rate equal to the Trustee's prime rate plus 1%, computed on the basis of a 365 or 366-day year, as the case may be, for actual days elapsed, and (iii) when used with respect to any Bank Warrants or any amounts payable to the Bank under any of the Financing Documents, the Bank Rate plus 2%, computed on the basis of a 360-day year for the actual number of days elapsed.

**"Purchase Price"**, when used with respect to a Tendered Warrant, means 100% of the principal amount of such Series 2002-A Warrant plus accrued interest to the Tender Date. If the Tender Date for a Series 2002-A Warrant is also an Interest Payment Date for such Series 2002-A Warrant, the interest due on such date shall not be considered part of the Purchase Price; rather, such interest shall be paid in accordance with the provisions of the Indenture governing regular interest payments.

**"Regular Record Date"** means (i) with respect to Series 2002-A Warrants in the Variable Rate Mode, the day immediately prior to the Variable Rate Interest Payment Date (whether or not a Business Day), (ii) with respect to Series 2002-A Warrants in the Flexible Rate Mode, the day immediately prior to the Flexible Rate Interest Payment Date (whether or not a Business Day) and (iii) with respect to Series 2002-A Warrants in the Term Rate Mode, the 15th day (whether or not a Business Day) of the month next preceding the Term Rate Interest Payment Date.

**"Remarketing Agent"** means J. P. Morgan Securities, Inc., or a successor Remarketing Agent that shall have become such pursuant to the applicable provisions of this Indenture.

**"Remarketing Agreement"** means the agreement entered into by the County and the Remarketing Agent.

**"Reserve Policy"** means the municipal bond debt service reserve fund policy issued by Financial Guaranty Insurance Company (the "Bond Insurer") simultaneously with the issuance of the Series 2002-A Warrants and deposited in the Reserve Fund established under the Indenture.

**"Series 2002-A Insurance Policy"** means the municipal bond insurance policy issued by the Bond Insurer that guarantees payment of principal of and interest on the Series 2002-A Warrants.

**"Series 2002-A Issuance Costs"** means the reasonable costs and expenses of issuing and selling the Series 2002-A Warrants, including, without limitation, the fees and expenses of Bond Counsel to the County, the Trustee's fees and expenses, the fees of any Rating Agency rating the Series 2002-A Warrants, bond insurance premiums, accounting fees, financial advisory fees, underwriters' commissions and discounts, the costs of printing the Official Statement for the Series 2002-A Warrants, and other usual and customary expenses.

**"Series 2002-A Warrants"** means the County's Sewer Revenue Capital Improvement Warrants, Series 2002-A, authorized to be issued in the aggregate principal amount of \$110,000,000.

**"Standby Purchase Agreement"** means that certain Standby Warrant Purchase Agreement dated as of February 1, 2002, among the Bank, the Trustee and the County, until a Substitute Standby Purchase Agreement shall have been accepted by the Trustee, and thereafter "Standby Purchase Agreement" shall mean such Substitute Standby Purchase Agreement.

**"Stated Expiration Date"**, when used with respect to any Standby Purchase Agreement, means the date on which the obligation of the Bank to purchase Series 2002-A Warrants thereunder will expire by its terms. The Stated Expiration Date of any Standby Purchase Agreement may be extended as provided in Section 2.10(e).

**"Substitute Standby Purchase Agreement"** means an agreement for the purchase of Series 2002-A Warrants not remarketed that is accepted by the Trustee pursuant to the terms and conditions of Section 2.10.

**"Taxable"** means that for purposes of federal income taxation interest on the Series 2002-A Warrants is includible in the gross income of any Holder thereof for any reason. Interest on the Series 2002-A Warrants shall not be deemed "Taxable" because interest is includible in any calculation of income for purposes of an alternative minimum tax, a foreign branch profits tax or any other type of taxation other than the regular tax imposed on gross income.

**"Tender Agent"** means the Trustee, until a successor Tender Agent shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Tender Agent" shall mean such successor.

**"Tender Date"** means an Optional Tender Date or a Mandatory Tender Date, as the case may be.

**"Tendered Warrants"** means Series 2002-A Warrants tendered for purchase pursuant to the Optional or Mandatory Tender provisions of this Indenture.

**"Term Rate"**, when used with respect to any Series 2002-A Warrant in the Term Rate Mode, means the fixed interest rate borne by such Series 2002-A Warrant during a Term Rate Period.

**"Term Rate Interest Payment Date"**, when used with respect to any Series 2002-A Warrant in the Term Rate Mode, means a date on which interest calculated according to a Term Rate is payable on such Series 2002-A Warrant.

**"Term Rate Mode"** means the Interest Rate Mode in which the Series 2002-A Warrants bear interest at the Term Rate.

**"Term Rate Period"**, when used with respect to any Series 2002-A Warrant in the Term Rate Mode, means a period established pursuant to Section 2.2(c) during which such Series 2002-A Warrant bears interest at a Term Rate established for such period.

**"Unsurrendered Series 2002-A Warrant"** means a Series 2002-A Warrant (or portion thereof) which is deemed purchased pursuant to the Optional or Mandatory Tender provisions hereof, but which has not been presented to the Tender Agent by the Holder thereof.

**"Variable Rate"**, when used with respect to any Series 2002-A Warrant in the Variable Rate Mode, means the variable interest rate borne by such Series 2002-A Warrant while such Series 2002-A Warrant is in the Variable Rate Mode.

**"Variable Rate Interest Payment Date"**, when used with respect to any Series 2002-A Warrant in the Variable Rate Mode, means a date on which interest calculated at the Variable Rate is payable on such Series 2002-A Warrant.

**"Variable Rate Mode"** means the Interest Rate Mode in which a Series 2002-A Warrant bears interest at the Variable Rate.

**"Warrant Purchase Fund"** means the fund established pursuant to Section 5.1.

**"Warrant Register"** means the register or registers for the registration and transfer of Parity Securities maintained by the Trustee pursuant to the Indenture.

**"Wire Transfer"** means payment by wire transfer to an account maintained at a bank located in the United States; provided, however, that any person entitled to receive any payment due under this Indenture by wire transfer must deliver adequate written instructions for such payment to the Trustee or Tender Agent, as the case may be.

**"2002 System Improvements"** means the System Improvements, the costs of which are to be financed, in whole or in part, through the issuance of the Series 2002-A Warrants.

Section 1.2 **Findings.** The Governing Body has ascertained and does hereby find and declare as follows:

(a) Purposes for which Additional Parity Securities may be Issued. In the Original Indenture, the County has reserved the right to issue, upon compliance with the conditions precedent set forth therein, additional warrants, bonds, notes or other obligations that are secured on a parity with the Outstanding Parity Securities, as respects the pledge of the revenues derived by the County from the operation of the System, for the purposes of financing the costs of constructing or acquiring any System Improvements and refunding or retiring all or any portion of any one or more series of Parity Securities then outstanding under the Indenture or any other obligations of the County issued to finance System Improvements.

(b) Purpose of the Series 2002-A Warrants. In order to comply with the requirements of the Consent Decree entered in those civil actions consolidated in the United States District Court, Northern District of Alabama, and styled *United States of America v. Jefferson County, Alabama, et al.*, Civil Action No. 94-G-2947-S, and *R. Allen Kipp, Jr., et al. and Cahaba River Society, Inc. v. Jefferson County, Alabama, et al.*, Civil Action No. 93-G-2492-S, and to otherwise provide for the expansion and improvement of the System, it is necessary, desirable and in the public interest for the County to issue the Series 2002-A Warrants to finance the costs of acquiring and constructing various System Improvements.

(c) No Default. No Event of Default and no event which, with the giving of notice or the passage of time or both, would constitute such an Event of Default, has occurred and is continuing.

(d) Additional Parity Securities Previously Issued. No Parity Securities, other than the Outstanding Parity Securities, have heretofore been issued by the County under the Indenture, and the County now has no outstanding obligations payable from the revenues derived by the County

from the operation of the System except the Outstanding Parity Securities and certain related Qualified Swap transactions.

(e) Revenue Certificate. The County has provided the Trustee with a Revenue Certificate that satisfies the requirements of Section 10.2 of the Original Indenture with respect to the issuance of the Series 2002-A Warrants.

**Section 1.3 Use of Phrases.** "Herein", "hereby", "hereunder", "hereof", "hereinbefore", "hereinafter" and other equivalent words refer to this Fourth Supplemental Indenture as an entirety and not solely to the particular portion thereof in which any such word is used. The terms used herein include both singular and plural. Whenever used herein, any pronoun shall be deemed to include both singular and plural and to cover all genders.

**Section 1.4 Definitions Contained in the Original Indenture.** Unless the context clearly indicates a different meaning, any words, terms or phrases that are used in this Fourth Supplemental Indenture as defined terms without being herein defined shall have the meanings respectively given them in the Original Indenture (subject to any amendments thereto made in the First, Second or Third Supplemental Indenture).

**Section 1.5 References to the Parity Securities and the Indenture.** The County and the Trustee acknowledge and agree that, from and after the issuance by the County of the Series 2002-A Warrants, any reference in the Original Indenture or in this Fourth Supplemental Indenture to the "Parity Securities" shall, unless the context clearly and unequivocally indicates otherwise, be construed to include the Outstanding Parity Securities, the Series 2002-A Warrants and any Additional Parity Securities hereafter issued.

The County and the Trustee further acknowledge and agree that, from and after the execution and delivery of this Fourth Supplemental Indenture, any reference in the Original Indenture or in this Fourth Supplemental Indenture to the "Indenture" shall, unless the context clearly and unequivocally indicates otherwise, be construed to refer to the Original Indenture as supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture and this Fourth Supplemental Indenture. The provisions of the Original Indenture (as heretofore supplemented and amended), to the extent they are not inconsistent with the provisions hereof, shall also apply to this Fourth Supplemental Indenture.



## ARTICLE II

### THE SERIES 2002-A WARRANTS

Section 2.1 **Specific Title and Terms.** (a) Title and Amount. The Series 2002-A Warrants shall be entitled "Sewer Revenue Capital Improvement Warrants, Series 2002-A". The aggregate principal amount of the Series 2002-A Warrants which may be authenticated and delivered and outstanding is limited to \$110,000,000.

(b) Form and Number. The Series 2002-A Warrants shall be issuable as registered warrants without coupons in Authorized Denominations. The Series 2002-A Warrants shall be numbered separately from 1 upward.

(c) Maturity. The Series 2002-A Warrants shall mature on February 1, 2042.

(d) Date. The Series 2002-A Warrants shall be dated as of the date of initial delivery of the Series 2002-A Warrants.

(e) Interest Rates. Each Series 2002-A Warrant shall bear interest at the Variable Rate, the Flexible Rate or the Term Rate, as provided in Section 2.2. Different Series 2002-A Warrants may be in different Interest Rate Modes at the same time, subject to the terms and conditions of Section 2.3 regarding conversion. All Series 2002-A Warrants shall initially be issued in the Variable Rate Mode. Any Series 2002-A Warrant may from time to time be converted to a different Interest Rate Mode, as provided in Section 2.3. In the event of any conversion that results in different Series 2002-A Warrants being in different Interest Rate Modes at the same time, the Trustee or Tender Agent shall draw upon the Standby Purchase Agreement only to effect the purchase of Series 2002-A Warrants in the Interest Rate Mode or Modes then covered by the Standby Purchase Agreement. The Trustee shall specify on each Series 2002-A Warrant certificate, in the space provided, which Interest Rate Mode is in effect with respect to such Series 2002-A Warrant. If a Flexible Rate is in effect with respect to a Series 2002-A Warrant, the Trustee shall also specify on the certificate for such Series 2002-A Warrant the Flexible Rate and the beginning and end of the Flexible Rate Period. If a Term Rate is in effect with respect to a Series 2002-A Warrant, the Trustee shall also specify on the certificate for such Series 2002-A Warrant the Term Rate and the beginning and end of the Term Rate Period.

(f) Computation of Interest Accrual. The Series 2002-A Warrants shall bear interest from their date, or the most recent date to which interest has been paid or duly provided for, at the applicable rate per annum set forth in this Article. Interest at the Variable Rate shall be computed on the basis of a 365 or 366-day year, as the case may be, for the actual number of days elapsed. Interest at the Flexible Rate shall be computed on the basis of a 365 or 366-day year for the actual number of days elapsed. Interest at the Term Rate shall be computed on the basis of a 360-day year with 12 months of 30 days each. Interest at the Bank Rate shall be computed on the basis of a 365-

day year for the actual number of days elapsed. Interest shall accrue until each Interest Payment Date.

(g) Overdue Interest. Interest shall be payable on overdue principal on the Series 2002-A Warrants and (to the extent legally enforceable) on any overdue installment of interest on the Series 2002-A Warrants at the Post-Default Rate.

(h) Interest Payment Dates. Interest shall be payable in arrears on the following dates (each such date being herein called an "Interest Payment Date"):

(1) with respect to interest on any Series 2002-A Warrant payable at the Variable Rate, on (i) the first Business Day of each month while such Series 2002-A Warrant is in the Variable Rate Mode and (ii) the effective date of conversion of such Series 2002-A Warrant from the Variable Rate Mode to another Interest Rate Mode (each such date being herein called a "Variable Rate Interest Payment Date");

(2) with respect to interest on any Series 2002-A Warrant payable at the Flexible Rate, on the last day of each Flexible Rate Period (each such date being herein called a "Flexible Rate Interest Payment Date");

(3) with respect to interest on any Series 2002-A Warrant payable at the Term Rate, (i) on February 1 and August 1 in each year and (ii) on the last day of each Term Rate Period (each such date being herein called a "Term Rate Interest Payment Date");

(4) with respect to interest on any Bank Warrant (i) on the date such Series 2002-A Warrant is purchased by the Bank pursuant to the terms of the Standby Purchase Agreement, (ii) on the first Business Day of each month while such Series 2002-A Warrant is a Bank Warrant, (iii) on the date such Series 2002-A Warrant is remarketed, and (iv) at Maturity (if such Series 2002-A Warrant remains a Bank Warrant until Maturity); and

(5) with respect to interest at the Post-Default Rate, on the date demanded.

(i) Method of Payment. Except as otherwise provided in the following subsection or in Section 7.3 hereof, payment of interest on the Series 2002-A Warrants which is due on any Interest Payment Date shall be made by check or draft mailed by the Trustee to the persons entitled thereto at their addresses appearing in the Warrant Register. Such payments of interest shall be deemed timely made if so mailed on the Interest Payment Date (or, if such Interest Payment Date is not a Business Day, on the Business Day next following such Interest Payment Date). Payment of the principal of (and premium, if any, on) the Series 2002-A Warrants and payment of accrued interest

on the Series 2002-A Warrants due upon redemption on any date other than an Interest Payment Date shall be made only upon surrender thereof at the Office of the Trustee.

(j) **Wire Transfer Payment.** Upon the written request of a Holder of Series 2002-A Warrants in an aggregate principal amount of not less than \$100,000, the Trustee will make payment of the Debt Service due on such Series 2002-A Warrants by Wire Transfer, provided that:

(1) such request contains adequate instructions for the method of payment,  
and

(2) payment of the principal of (and premium, if any, on) such Series 2002-A Warrants and payment of the accrued interest on such Series 2002-A Warrants due upon redemption on any date other than an Interest Payment Date shall be made only upon surrender of such Series 2002-A Warrants to the Trustee.

**Section 2.2 Determination of Interest Rates, Flexible Rate Periods and Term Rate Periods.** (a) **Variable Rate.** The Variable Rate for any Series 2002-A Warrant shall be a fluctuating rate per annum determined periodically by the Remarketing Agent while such Series 2002-A Warrant is in the Variable Rate Mode, subject to the following terms and conditions:

(1) The Variable Rate with respect to any Series 2002-A Warrant shall be determined on the date of initial issuance of the Series 2002-A Warrants (the "Issue Date") or on any date of conversion to the Variable Rate Mode and on the last Business Day before each Friday while such Series 2002-A Warrant is in the Variable Rate Mode.

(2) Interest accrual at the Variable Rate determined on the Issue Date or a Conversion Date shall begin on (and shall include) the Issue Date or such Conversion Date and shall continue at such Variable Rate until (but not including) the next Thursday. Thereafter, interest accrual at the Variable Rate shall begin on each Thursday (based on the Variable Rate determined on such Thursday or, if such Thursday is not a Business Day, on the Business Day preceding such Thursday) and shall continue at such rate until the next Thursday (or, if sooner, a Conversion Date); provided, however, that if the Remarketing Agent fails to determine the Variable Rate on any such determination date, the Alternate Rate Index shall be deemed to be the rate determined.

(3) The Variable Rate with respect to a Series 2002-A Warrant shall be determined by the Remarketing Agent and shall be the lowest interest rate that would, in the opinion of the Remarketing Agent, result in the market value of such Series 2002-A Warrant being 100% of the principal amount thereof on the date of such determination, taking into account relevant market conditions and credit rating factors



as they exist on such date; provided, however, that the Variable Rate may never exceed the Cap Rate.

(4) On each Variable Rate determination date with respect to a Series 2002-A Warrant the Remarketing Agent shall give telephonic notice to the Trustee of the Variable Rate so determined. Upon the request of the Holder of a Series 2002-A Warrant or any Financing Participant, the Trustee shall confirm (by telephone and in writing, if so requested) the Variable Rate then in effect.

(b) Flexible Rate and Flexible Rate Periods. The Flexible Rate for any Series 2002-A Warrant shall be a fixed rate per annum for each Flexible Rate Period. Flexible Rate Periods and the related Flexible Rate for each such period shall be determined by the Remarketing Agent from time to time while a Series 2002-A Warrant is in the Flexible Rate Mode, subject to the following terms and conditions:

(1) The duration of each Flexible Rate Period shall be established by the Remarketing Agent on the first day of each Flexible Rate Period with the advice of the County, unless the County fails to offer such advice in a timely manner, in which case the Remarketing Agent shall establish a Flexible Rate Period of such duration as the Remarketing Agent, in its judgment, estimates is likely to provide the lowest average interest rate on the Series 2002-A Warrant while the Series 2002-A Warrant is in the Flexible Rate Mode, taking into account relevant market conditions and credit rating factors as they exist on the date of determination. The duration of each Flexible Rate Period shall be subject to the following terms and conditions:

(A) A Flexible Rate Period may be any number of days from 1 to 270.

(B) Each Flexible Rate Period must end on a Business Day, but may in no event be longer than 270 days. If the final day of a Flexible Rate Period established is not in fact a Business Day, then such Flexible Rate Period shall be deemed to extend to the next day that is a Business Day.

(C) A Flexible Rate Period may not extend beyond (i) the Maturity of such Series 2002-A Warrant, (ii) the date set for redemption of such Series 2002-A Warrant, or (iii) the date set for conversion of such Series 2002-A Warrant to a different Interest Rate Mode.

(D) The Remarketing Agent shall not establish a Flexible Rate Period extending beyond the next scheduled redemption date unless, after giving effect to the Flexible Rate Period established, the aggregate amount of Series 2002-A Warrants in the Variable Rate Mode plus the aggregate amount of Series 2002-A Warrants in the Flexible Rate Mode with a Flexible

Rate Period ending on or prior to the next scheduled redemption date is not less than the aggregate principal amount of Series 2002-A Warrants to be redeemed on such date.

(E) If any Standby Purchase Agreement is to be effective during the Flexible Rate Period, after giving effect to such Flexible Rate Period the average interest coverage requirement (as defined below in this paragraph) for all Series 2002-A Warrants must be at least five days less than the number of days of interest coverage provided by the Standby Purchase Agreement. For purposes of this paragraph, the term "interest coverage requirement" means: (i) for any Series 2002-A Warrant in the Variable Rate Mode, 34 days; (ii) for any Series 2002-A Warrant in the Flexible Rate Mode, the number of days in the Flexible Rate Period then in effect with respect to such Series 2002-A Warrant; and (iii) for any Series 2002-A Warrant in the Term Rate Mode, 185 days. In addition, for purposes of determining the average interest coverage requirement, the requirement for each Series 2002-A Warrant shall be weighted according to the principal amount of such Series 2002-A Warrant.

(F) If any Standby Purchase Agreement is to be effective during the Flexible Rate Period, the Flexible Rate Period must end at least five days before the Stated Expiration Date of the Standby Purchase Agreement.

(G) If a Flexible Rate Period is in effect when a Series 2002-A Warrant is to be purchased pursuant to the Mandatory Tender provisions of Section 2.5(a)(4) (relating to notice of an event of default under the Standby Purchase Agreement), notwithstanding the Flexible Rate Period previously established with respect to such Series 2002-A Warrant, such Flexible Rate Period shall end on such Mandatory Tender Date.

(2) The Flexible Rate with respect to a Series 2002-A Warrant for the established Flexible Rate Period shall be determined by the Remarketing Agent on the first day of such Flexible Rate Period and shall be the lowest interest rate that would, in the opinion of the Remarketing Agent, result in the market value of such Series 2002-A Warrant being 100% of the principal amount thereof on the date of determination, taking into account relevant market conditions and credit rating factors as they exist on such date; provided, however, that the Flexible Rate may never exceed the Cap Rate.

(3) Interest accrual at the Flexible Rate for any Flexible Rate Period shall begin on (and shall include) the first day of the Flexible Rate Period and shall end on (but shall not include) the last day of the Flexible Rate Period.

(4) On the first day of each Flexible Rate Period with respect to a Series 2002-A Warrant, the Remarketing Agent shall give telephonic notice to the Trustee of the Flexible Rate and the Flexible Rate Period so determined. Upon the request of the Holder of a Series 2002-A Warrant or any Financing Participant, the Trustee shall confirm (by telephone and in writing, if so requested) the Flexible Rate and the Flexible Rate Period then in effect.

(5) On the last day of each Flexible Rate Period for a Series 2002-A Warrant, a new Flexible Rate Period and Flexible Rate shall be established for such Series 2002-A Warrant in accordance with the terms of this subsection unless the County has elected to convert such Series 2002-A Warrant to another Interest Rate Mode on such date.

(6) If the Remarketing Agent fails to establish a Flexible Rate and a Flexible Rate Period as provided in this subsection, a Flexible Rate Period extending to the next Business Day shall automatically be established, and the Flexible Rate for such period shall be the Alternate Rate Index.

(c) Term Rate and Term Rate Periods. The Term Rate for any Series 2002-A Warrant shall be a fixed rate per annum determined by the Remarketing Agent for a Term Rate Period specified by the County in the notice of conversion of such Series 2002-A Warrant to the Term Rate Mode, subject to the following terms and conditions:

(1) The duration of a Term Rate Period shall be limited as follows:

(A) A Term Rate Period may be any number of days greater than 270.

(B) A Term Rate Period (other than a Term Rate Period extending to Maturity) must end on a Business Day. If the final day of a Term Rate Period specified by the County is not in fact a Business Day, then such Term Rate Period shall be deemed to extend to the next day that is a Business Day.

(C) If any Standby Purchase Agreement is to be effective during the Term Rate Period, (i) the Standby Purchase Agreement must provide for payment of interest on the Series 2002-A Warrants in an amount equal to interest at the Cap Rate for 185 days (computed on the basis of a 360-day year) and must provide for payment of the maximum redemption premium (if any) payable during the Term Rate Period, and (ii) the Term Rate Period must end at least five days before the Stated Expiration Date of the Standby Purchase Agreement.

(D) If a Term Rate Period is in effect when a Series 2002-A Warrant is to be purchased pursuant to the Mandatory Tender provisions of Section 2.5(a)(4) (relating to notice of an event of default under the Standby Purchase Agreement), notwithstanding the Term Rate Period previously established with respect to such Series 2002-A Warrant, such Term Rate Period shall end on such Mandatory Tender Date.

(2) After receipt of notice that a Term Rate is to be established with respect to any Series 2002-A Warrant, but not later than the last Business Day prior to the proposed Conversion Date, the Remarketing Agent shall determine the interest rate for the Term Rate Period, which shall be the lowest interest rate that would, in the opinion of the Remarketing Agent, result in the market value of such Series 2002-A Warrant being 100% of the principal amount thereof on the date of such determination, taking into account relevant market conditions and credit rating factors as they exist on such date, and assuming that the Term Rate Period began on such date; provided, however, that the Term Rate may not exceed the Cap Rate.

(3) Interest accrual at the Term Rate for any Term Rate Period shall begin on (and shall include) the first day of the Term Rate Period and shall end on (but shall not include) the last day of the Term Rate Period.

(4) The Remarketing Agent shall give telephonic notice to the Trustee of the Term Rate so determined, and shall promptly confirm such notice in writing. Upon the request of the Holder of a Series 2002-A Warrant or any Financing Participant, the Trustee shall confirm (by telephone and in writing, if so requested) the Term Rate so determined.

(d) Rate Determination Conclusive. The interest rates determined by the Remarketing Agent as provided in this section shall be conclusive and binding on the Financing Participants.

(e) Bank Rate. Notwithstanding the Interest Rate Mode otherwise in effect when Series 2002-A Warrants are purchased by the Bank pursuant to the Standby Purchase Agreement, Bank Warrants shall bear interest at the Bank Rate. Interest on Bank Warrants is payable to the Bank or (if applicable) to any other Bank Warrantholder (as such term is defined in the Standby Purchase Agreement), notwithstanding any provisions herein regarding the Regular Record Date or Special Record Date. Interest accrual at the Bank Rate shall begin on (and shall include) the date such Series 2002-A Warrant is purchased by the Bank pursuant to the Standby Purchase Agreement and shall end on (but shall not include) the date such Series 2002-A Warrant is remarketed pursuant to Section 2.6 or redeemed in accordance with the provisions hereof.

**Section 2.3 Conversion of Interest Rate Mode.** (a) Automatic Conversion to Variable Rate Mode. The Interest Rate Mode on a Series 2002-A Warrant shall automatically convert to the Variable Rate Mode (i) on the last day of a Term Rate Period, unless the Interest Rate Mode is

effectively converted on such date to the Term Rate Mode for an additional Term Rate Period or to the Flexible Rate Mode; (ii) if such Series 2002-A Warrant is a Bank Warrant, on the date such warrant is remarketed, unless the Interest Rate Mode is effectively converted on such date to another Interest Rate Mode; and (iii) on the date proposed for conversion from one Interest Rate Mode to another if the County revokes its election to effect the conversion, as permitted in Section 2.3(e), or the conditions for such conversion are not satisfied.

(b) Optional Conversion to Variable Rate Mode. At the option of the County, any Series 2002-A Warrant may be converted from the Flexible Rate Mode to the Variable Rate Mode, subject to the following terms and conditions:

(1) The County must give the other Financing Participants notice of such conversion not less than 20 days prior to the proposed Conversion Date. Such notice must specify the Conversion Date and the principal amount and the certificate number of the Series 2002-A Warrant for which the conversion is requested.

(2) Less than the entire principal amount of a Series 2002-A Warrant may be converted if both the amount converted and the remaining portion of such Series 2002-A Warrant will be in Authorized Denominations.

(3) The Conversion Date must be a Flexible Rate Interest Payment Date.

(4) On the proposed Conversion Date the Trustee must receive a Favorable Tax Opinion.

(c) Optional Conversion to Flexible Rate Mode. At the option of the County, any Series 2002-A Warrant may be converted from another Interest Rate Mode to the Flexible Rate Mode, subject to the following terms and conditions:

(1) The County must give the other Financing Participants notice of such conversion not less than 20 days prior to the proposed Conversion Date. Such notice must specify the Conversion Date and the principal amount and the certificate number of the Series 2002-A Warrant for which the conversion is requested.

(2) Less than the entire principal amount of a Series 2002-A Warrant may be converted if both the amount converted and the remaining portion of such Series 2002-A Warrant will be in Authorized Denominations.

(3) If the Series 2002-A Warrant is being converted from the Variable Rate Mode, the Conversion Date may be any Business Day. If the Series 2002-A Warrant is being converted from the Term Rate Mode, the Conversion Date must be the last day of the Term Rate Period.



(4) On the proposed Conversion Date the Trustee must receive a Favorable Tax Opinion.

(d) Optional Conversion to Term Rate Mode. At the option of the County, any Series 2002-A Warrant may be converted from another Interest Rate Mode to the Term Rate Mode, and a new Term Rate Period may be established on the Business Day following the expiration of any existing Term Rate Period with respect to a Series 2002-A Warrant, subject to the following terms and conditions:

(1) The County must give the other Financing Participants notice of such conversion not less than 20 days prior to the proposed Conversion Date. Such notice must specify (i) the Conversion Date, (ii) the principal amount and the certificate number of the Series 2002-A Warrant for which the conversion is requested, and (iii) the Term Rate Period (subject to the requirements of Section 2.2(c)).

(2) Less than the entire principal amount of a Series 2002-A Warrant may be converted if both the amount converted and the remaining portion of such Series 2002-A Warrant will be in Authorized Denominations.

(3) If the Series 2002-A Warrant is being converted from the Variable Rate Mode, the Conversion Date may be any Business Day. If the Series 2002-A Warrant is being converted from the Flexible Rate Mode, the Conversion Date must be a Flexible Rate Interest Payment Date.

(4) On the proposed Conversion Date the Trustee must receive a Favorable Tax Opinion and the Substitute Standby Purchase Agreement (if any) that was to be delivered in connection with such conversion.

(e) Revocation of Election. The County may, at its option, revoke its election to convert a Series 2002-A Warrant from one Interest Rate Mode to another Interest Rate Mode by notice delivered to the other Financing Participants before such Series 2002-A Warrant is delivered to its Holder in the new Interest Rate Mode. In addition, if a Series 2002-A Warrant is being converted to the Term Rate Mode, the election to convert shall automatically be deemed revoked if the Remarketing Agent fails to establish the Term Rate or the Trustee and the Tender Agent do not receive confirmation from the Remarketing Agent that such Series 2002-A Warrant has been remarketed in the Term Rate Mode before the close of business on the proposed Conversion Date.

(f) Mandatory Tender Notwithstanding Failed Conversion. If a notice of Mandatory Tender is given by the Tender Agent in connection with a proposed conversion of a Series 2002-A Warrant to a different Interest Rate Mode, such Series 2002-A Warrant shall be subject to a Mandatory Tender on such date notwithstanding the revocation by the County of its election to effect such conversion or the failure to satisfy the conditions for such conversion.

(g) **Automatic Conversion to Bank Rate.** Notwithstanding any conversion or attempted conversion of a Series 2002-A Warrant pursuant to this section and notwithstanding the Interest Rate Mode otherwise in effect, on the date that any Series 2002-A Warrant is purchased by the Bank pursuant to the Standby Purchase Agreement such Series 2002-A Warrant shall begin to accrue interest at the Bank Rate. If an attempted conversion of the Interest Rate Mode on any Bank Warrant is not successful or if such Bank Warrant is not remarketed on the Conversion Date, such Series 2002-A Warrant shall continue to bear interest at the Bank Rate. When any Series 2002-A Warrant ceases to be a Bank Warrant such Series 2002-A Warrant shall bear interest at the Variable Rate unless such Series 2002-A Warrant is successfully converted on such date to another Interest Rate Mode.

**Section 2.4 Optional Tenders.** (a) The Holder of any Series 2002-A Warrant shall have the right to tender such Series 2002-A Warrant to the Tender Agent for purchase in whole or in part on any Business Day while such Series 2002-A Warrant is in the Variable Rate Mode (but not while such Series 2002-A Warrant is in the Term Rate Mode or the Flexible Rate Mode) at a Purchase Price equal to 100% of the principal amount of the Series 2002-A Warrant (or portion thereof) tendered plus accrued interest to the specified purchase date (an "Optional Tender Date"). In order to exercise such option with respect to any Series 2002-A Warrant, the Holder thereof must deliver notice thereof to the Tender Agent and the Remarketing Agent, as provided below in this section, at least seven days prior to the proposed Optional Tender Date.

(b) Any such notice of Optional Tender must be duly executed by the Warrantholder and must specify (i) the name of the registered Holder of the Series 2002-A Warrant to be tendered for purchase, (ii) the Optional Tender Date, (iii) the certificate number and principal amount of such Series 2002-A Warrant, and (iv) the principal amount of such Series 2002-A Warrant to be purchased (provided that, if such amount is less than the entire principal amount, both the amount to be purchased and the remaining amount must be in an Authorized Denomination). Such notice may be given to the Tender Agent and the Remarketing Agent in writing or by telephone, but no such telephonic notice shall be effective unless confirmed in writing delivered to the Tender Agent and the Remarketing Agent not more than two Business Days after such telephonic notice. The written notice of Optional Tender shall be substantially as set forth in Exhibit A or in such other form as shall be acceptable to the Tender Agent.

(c) If any notice of Optional Tender specifies an Optional Tender Date that is not a Business Day, then such notice shall be deemed to specify the next following Business Day as the Optional Tender Date. Unless a notice of Optional Tender indicates that less than the entire principal amount of the Series 2002-A Warrant is being tendered for purchase, the Holder will be deemed to have tendered the Series 2002-A Warrant in its entire principal amount for purchase.

(d) Promptly after receipt of any such telephonic or written notice of Optional Tender, the Tender Agent shall deliver written notice to the Trustee, the Remarketing Agent, the County and the Bank specifying (i) the principal amount and certificate number of the Series 2002-A Warrant

for which a notice of Optional Tender has been given and (ii) the proposed Optional Tender Date therefor.

(e) Upon delivery of a written notice of Optional Tender, the election to tender shall be irrevocable and binding upon such Holder and may not be withdrawn. The Tender Agent shall, in its sole discretion, determine whether, with respect to any Series 2002-A Warrant, the Holder thereof shall have properly exercised the option to have his Series 2002-A Warrant purchased pursuant to this section.

(f) If a written notice of tender shall have been duly given with respect to any Series 2002-A Warrant, the Holder of such Series 2002-A Warrant shall deliver such Series 2002-A Warrant to the Office of the Tender Agent on the Optional Tender Date, together with all necessary endorsements for transfer. If only a portion of such Series 2002-A Warrant is to be purchased (as a result of the exercise of the Optional Tender right only with respect to such portion), the County shall execute and the Tender Agent shall authenticate and deliver to the Holder of such Series 2002-A Warrant, without service charge, a new Series 2002-A Warrant or Warrants of the same Maturity and interest rate and of any Authorized Denomination or Denominations as requested by such Holder in aggregate principal amount equal to and in exchange for the unpurchased portion of the principal amount of the Series 2002-A Warrant surrendered. Any Series 2002-A Warrant (or portion thereof) that is to be so purchased but that is not so delivered to the Tender Agent (i.e., an Unsurrendered Series 2002-A Warrant) shall nevertheless be deemed to have been tendered by the Holder thereof on the Optional Tender Date.

(g) On each Optional Tender Date, the Tender Agent shall pay to the Holder of each Series 2002-A Warrant (or portion thereof) properly tendered for purchase an amount equal to 100% of the principal amount thereof plus accrued interest, if any. Funds for payment of the Purchase Price of such Series 2002-A Warrants shall be drawn by the Tender Agent from the Warrant Purchase Fund as provided in Section 5.1 of this Fourth Supplemental Indenture.

(h) If there has been irrevocably deposited in the Warrant Purchase Fund an amount sufficient to pay the Purchase Price of any Unsurrendered Series 2002-A Warrant, such Unsurrendered Series 2002-A Warrant shall be deemed to have been tendered for purchase and purchased from the Holder thereof on such Optional Tender Date and the Holder of such Unsurrendered Series 2002-A Warrant shall not be entitled to receive interest on such Unsurrendered Series 2002-A Warrant for any period on and after the Optional Tender Date. The Tender Agent shall issue a new Series 2002-A Warrant or Warrants in the same aggregate principal amount for any Unsurrendered Series 2002-A Warrant which is not tendered for purchase on any Optional Tender Date and, upon receipt by the Tender Agent of any such Unsurrendered Series 2002-A Warrant from the Holder thereof, shall pay, or cause to be paid, the Purchase Price of such Unsurrendered Series 2002-A Warrant to the Holder thereof and cancel such Unsurrendered Series 2002-A Warrant.

(i) Anything in this Fourth Supplemental Indenture to the contrary notwithstanding, Warrantholders may not exercise their Optional Tender rights at any time when the obligation of the



Bank to purchase Series 2002-A Warrants pursuant to the Standby Purchase Agreement has been suspended or terminated in accordance with the provisions of the Standby Purchase Agreement.

**Section 2.5 Mandatory Tenders.** (a) The Holder of each Series 2002-A Warrant shall be required to tender such Series 2002-A Warrant to the Tender Agent for purchase on the following dates (each such date being herein called a "Mandatory Tender Date"):

- (1) each Conversion Date with respect to such Series 2002-A Warrant;
- (2) the last day of a Term Rate Period with respect to such Series 2002-A Warrant;
- (3) the last day of a Flexible Rate Period with respect to such Series 2002-A Warrant;
- (4) 15 days after the Trustee receives written notice from the Bank (i) stating that the Bank has elected to terminate the Standby Purchase Agreement, upon notice and otherwise in accordance with the provisions of such agreement, as a consequence of the occurrence under the Standby Purchase Agreement of an Event of Default of a type that provides the Bank with the right to terminate (other than immediately) its purchase commitment under said agreement and (ii) directing that the Series 2002-A Warrants be purchased pursuant to the Mandatory Tender provisions of the Indenture;
- (5) on the Business Day immediately preceding any date proposed by the County for delivery of a Substitute Standby Purchase Agreement;
- (6) five days prior to the Stated Expiration Date of the Standby Purchase Agreement; and
- (7) on the Business Day immediately preceding any date when the County proposes to cancel the Standby Purchase Agreement pursuant to Section 2.11.

If any of such dates is not a Business Day, the Mandatory Tender Date shall be the next succeeding Business Day.

(b) No notice is required for a Mandatory Tender on the last day of a Flexible Rate Period or a Mandatory Tender on the last day of a Term Rate Period. Notice of any other Mandatory Tender shall be given by the Trustee by registered or certified mail, mailed to the Holder of each affected Series 2002-A Warrant at such Holder's address appearing on the Warrant Register not less than 12 days prior to the Mandatory Tender Date. Such notice of Mandatory Tender shall

- (1) specify the Mandatory Tender Date,

(2) state the reason for the Mandatory Tender (that is, the applicable event listed in subsection (a) of this section),

(3) state the amount of such Series 2002-A Warrant subject to Mandatory Tender, and

(4) state that such Series 2002-A Warrant shall be delivered by the Holder thereof to the Office of the Tender Agent on such Mandatory Tender Date, together with all necessary endorsements for transfer, and that such Series 2002-A Warrant (or the portion thereof to be purchased) shall be purchased on such Mandatory Tender Date at a Purchase Price equal to 100% of the principal amount thereof plus accrued interest, if any, and that, if such Series 2002-A Warrant is not so delivered to the Tender Agent, such Series 2002-A Warrant (or the portion thereof to be purchased) shall nevertheless be deemed to have been tendered for purchase by the Holder thereof on the Mandatory Tender Date.

(c) Any Series 2002-A Warrant subject to Mandatory Tender shall be tendered by the Holder thereof for purchase on the Mandatory Tender Date by delivering such Series 2002-A Warrant to the Office of the Tender Agent, together with all necessary endorsements for transfer. If only a portion of such Series 2002-A Warrant is to be purchased (as a result of conversion of only a portion of such Series 2002-A Warrant to another Interest Rate Mode), the County shall execute and the Tender Agent shall authenticate and deliver to the Holder of such Series 2002-A Warrant, without service charge, a new Series 2002-A Warrant or Warrants of the same Maturity and interest rate and of any Authorized Denomination or Denominations as requested by such Holder in aggregate principal amount equal to and in exchange for the unpurchased portion of the principal amount of the Series 2002-A Warrant surrendered. Any such Series 2002-A Warrant (or portion thereof) that is to be so purchased but that is not so delivered to the Tender Agent on the Mandatory Tender Date (i.e., an Unsurrendered Series 2002-A Warrant) shall nevertheless be deemed to have been tendered for purchase by the Holder thereof on the Mandatory Tender Date.

(d) On the Mandatory Tender Date with respect to any Series 2002-A Warrant, the Tender Agent shall pay to the Holder of such Series 2002-A Warrant an amount equal to 100% of the principal amount thereof plus accrued interest, if any. Funds for payment of the Purchase Price of such Series 2002-A Warrant shall be drawn by the Tender Agent from the Warrant Purchase Fund as provided in Section 5.1 of this Fourth Supplemental Indenture.

(e) If there has been irrevocably deposited in the Warrant Purchase Fund an amount sufficient to pay the Purchase Price of any Unsurrendered Series 2002-A Warrant, such Unsurrendered Series 2002-A Warrant shall be deemed to be tendered for purchase and purchased from the Holder thereof on such Mandatory Tender Date and the Holder of such Unsurrendered Series 2002-A Warrant shall not be entitled to receive interest on such Unsurrendered Series 2002-A Warrant for any period on and after the relevant Mandatory Tender Date. The Tender Agent shall issue a new Series 2002-A Warrant or Warrants in the same aggregate principal amount for any

Unsurrendered Series 2002-A Warrant which is not tendered for purchase on any Mandatory Tender Date and, upon receipt by the Tender Agent of any such Unsurrendered Series 2002-A Warrant from the Holder thereof, shall pay, or cause to be paid, the Purchase Price of such Unsurrendered Series 2002-A Warrant to the Holder thereof and cancel such Unsurrendered Series 2002-A Warrant.

(f) After notice of a Mandatory Tender has been given by the Tender Agent with respect to any Series 2002-A Warrant, such Series 2002-A Warrant shall be subject to Mandatory Tender notwithstanding the fact that the reasons for giving such notice cease to exist or are no longer applicable.

(g) If the Trustee receives notice that an Insurer Event of Default (as such term is defined in the Standby Purchase Agreement) exists under the Standby Purchase Agreement, or that the Bank is otherwise no longer obligated to purchase Eligible Warrants under the terms of the Standby Purchase Agreement, the Trustee shall promptly notify the Holders of the Series 2002-A Warrants and the other Financing Participants that such notice has been received and that Series 2002-A Warrants tendered for purchase pursuant to the Mandatory Tender provisions of the Indenture will no longer be purchased by the Bank. The Series 2002-A Warrants shall nevertheless be subject to Mandatory Tender under such circumstances in accordance with this section, but the Purchase Price of Series 2002-A Warrants so tendered will be paid only from remarketing proceeds or funds contributed by the County.

**Section 2.6 Purchase and Remarketing of Series 2002-A Warrants.** (a) The Remarketing Agent will use its best efforts to remarket all Series 2002-A Warrants tendered or deemed to be tendered for purchase pursuant to the Optional or Mandatory Tender provisions hereof, subject to the provisions of subsections (g) and (h) of this section.

(b) Promptly after arranging for the remarketing of any Series 2002-A Warrant, the Remarketing Agent shall give the Tender Agent notice specifying, with respect to the purchaser of such Series 2002-A Warrant, (i) such purchaser's name, address and taxpayer identification number and (ii) the principal amount and denomination of the Series 2002-A Warrant to be purchased. In no event shall any such purchaser of remarketed Series 2002-A Warrants be the County or an Affiliate of the County. The Remarketing Agent shall make appropriate settlement arrangements with the purchaser of such remarketed Series 2002-A Warrant and shall direct such purchaser by appropriate instructions to pay the Purchase Price of such Series 2002-A Warrant to the Tender Agent. The Tender Agent shall deposit the proceeds of any such remarketing in the Warrant Purchase Fund.

(c) On the Tender Date with respect to any Series 2002-A Warrant (or portion thereof) the Tender Agent shall pay the Purchase Price to the Holder of such Series 2002-A Warrant. The Tender Agent shall pay such Purchase Price from money on deposit in the Warrant Purchase Fund; provided that the Tender Agent shall not pay the Purchase Price of any Unsurrendered Series 2002-A Warrant, unless and until the Holder of such Unsurrendered Series 2002-A Warrant presents such Unsurrendered Series 2002-A Warrant to the Tender Agent. Any Series 2002-A Warrant so

purchased by the Tender Agent shall be delivered by the Tender Agent in accordance with this section.

(d) The Tender Agent shall hold any Series 2002-A Warrant delivered to it pursuant to the Optional or Mandatory Tender provisions hereof in trust solely for the benefit of the Holder who shall have so delivered such Series 2002-A Warrant until money representing the Purchase Price of such Series 2002-A Warrant shall have been delivered to or for the account of such Holder.

(e) Any Series 2002-A Warrant purchased by the Tender Agent with money advanced under the Standby Purchase Agreement (herein referred to as a "Bank Warrant") shall be held by the Tender Agent for the benefit of the Bank, or shall be delivered to the Bank at the Bank's request, subject to the following terms and conditions:

(1) If such Bank Warrant is remarketed, the Tender Agent delivers the Bank Warrant Sale Price to the Bank and the Bank confirms to the Tender Agent that the Bank's purchase commitment with respect to such warrant under the Standby Purchase Agreement has been reinstated, then such Series 2002-A Warrant shall no longer be considered a "Bank Warrant" and the Trustee shall register such Series 2002-A Warrant as directed by the Remarketing Agent.

(2) If such Bank Warrant is purchased from the Bank by the County and the Tender Agent receives written confirmation from the Bank that the Bank Warrant Sale Price has been paid to the Bank and that the purchase commitment of the Bank with respect to such warrant under the Standby Purchase Agreement has been reinstated, then such Series 2002-A Warrant shall no longer be considered a "Bank Warrant" and the Trustee shall register and deliver such Series 2002-A Warrant as directed by the County.

(f) Any Series 2002-A Warrant purchased by the Tender Agent with money deposited in the Warrant Purchase Fund by the County shall be registered and delivered by the Trustee as directed by the County.

(g) Notwithstanding any other provision of this Fourth Supplemental Indenture, if any Series 2002-A Warrant is purchased pursuant to the Optional or Mandatory Tender provisions of this Fourth Supplemental Indenture and the Standby Purchase Agreement has expired or terminated (or will expire or terminate within 20 days after such Optional or Mandatory Tender has been effected), such Series 2002-A Warrant may not be sold or remarketed unless either (A) such Series 2002-A Warrant will be subject to a Mandatory Tender, subsequent to the date of such remarketing but prior to the expiration or termination of the Standby Purchase Agreement, and such Series 2002-A Warrant is delivered with a copy of the notice of such Mandatory Tender, or (B) (i) the Trustee and the Tender Agent receive a Favorable Tax Opinion, and (ii) the Trustee, the Tender Agent and the County receive an Opinion of Counsel stating in effect that the remarketing of such Series 2002-A

Warrant under such circumstances will not be in violation of any federal or state laws regarding registration of, or other filing in connection with the issuance or sale of, securities.

(h) Notwithstanding any other provision of this Fourth Supplemental Indenture, if the Series 2002-A Warrants are purchased pursuant to the Mandatory Tender provisions of Section 2.5(a)(4), the Series 2002-A Warrants may not be remarketed unless the Trustee and the Tender Agent receive a Favorable Tax Opinion.

(i) Any Series 2002-A Warrant remarketed that has been called for redemption shall be delivered with a copy of the redemption notice, and any Series 2002-A Warrant remarketed as to which notice of Mandatory Tender has been given shall be delivered with a copy of the notice of Mandatory Tender.

(j) Any Series 2002-A Warrant purchased pursuant to the Optional Tender or Mandatory Tender provisions of this Indenture shall not, by virtue of such purchase, be deemed paid or cancelled, but shall remain outstanding until fully paid.

**Section 2.7 Form of Series 2002-A Warrants.** The Series 2002-A Warrants and the certificate of authentication shall be substantially as set forth in Exhibit B, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture.

**Section 2.8 Execution, Authentication, Delivery and Dating.** (a) The Series 2002-A Warrants shall be executed on behalf of the County by the President of its governing body under its official seal reproduced thereon and attested by the Minute Clerk of its governing body. The signature of any of these officers on the Series 2002-A Warrants may be manual or, to the extent permitted by law, facsimile. Series 2002-A Warrants bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the County shall bind the County, notwithstanding that such individuals or any of them shall have ceased to hold such offices prior to the authentication and delivery of such Series 2002-A Warrants or shall not have held such offices at the date of such Series 2002-A Warrants.

(b) At any time and from time to time after the execution and delivery of this Fourth Supplemental Indenture, the County may deliver Series 2002-A Warrants executed by the County to the Trustee for authentication and the Trustee shall authenticate and deliver such Series 2002-A Warrants as in this Fourth Supplemental Indenture provided and not otherwise.

(c) No Series 2002-A Warrant shall be secured by, or be entitled to any lien, right or benefit under, the Indenture or be valid or obligatory for any purpose, unless there appears on such Series 2002-A Warrant a certificate of authentication substantially in the form provided for herein, executed by the Trustee by manual signature, and such certificate upon any Series 2002-A Warrant shall be conclusive evidence, and the only evidence, that such Series 2002-A Warrant has been duly authenticated and delivered hereunder.



**Section 2.9 Authentication and Delivery of Series 2002-A Warrants to Original Purchasers.** Upon the execution and delivery of this Fourth Supplemental Indenture, Series 2002-A Warrants in the aggregate principal amount authorized in this article may be executed by the County and delivered to the Trustee for authentication, and such Series 2002-A Warrants shall thereupon be authenticated and delivered by the Trustee to the original purchaser or purchasers thereof, upon order executed by an Authorized County Representative.

**Section 2.10 Substitute Standby Purchase Agreement.** (a) The County may at any time and from time to time deliver another agreement (a "Substitute Standby Purchase Agreement") to the Trustee in substitution for the Standby Purchase Agreement then held by the Trustee, provided that

(1) such Substitute Standby Purchase Agreement complies with the applicable conditions set forth in Section 2.10(b);

(2) if Bank Warrants are outstanding on the date of substitution, the Bank certifies that all conditions of the existing Standby Purchase Agreement applicable to its replacement by a Substitute Standby Purchase Agreement have been satisfied;

(3) simultaneously with the delivery of such Substitute Standby Purchase Agreement the County delivers to the Trustee any related documentation required by Section 2.10(c) (the "Related Documentation"); and

(4) the County gives the Trustee, the Tender Agent, the Remarketing Agent and the Bank 30 days' prior notice of such substitution, which notice must specify a Business Day on which such substitution will occur.

(b) Each Substitute Standby Purchase Agreement delivered to the Trustee pursuant to this section must be substantially in the same form and of the same tenor as the initial Standby Purchase Agreement, except as otherwise provided in this section.

(c) Each Substitute Standby Purchase Agreement delivered to the Trustee must be accompanied by the following (herein referred to as the "Related Documentation"), to the extent applicable:

(1) a Favorable Tax Opinion;

(2) so long as the Bond Insurer has not failed to comply with its payment obligations under the Series 2002-A Insurance Policy, the written consent of the Bond Insurer to the delivery of such Substitute Standby Purchase Agreement;

(3) an Opinion of Counsel stating in effect that such Substitute Standby Purchase Agreement is a valid and binding obligation of the County and the substitute Bank;

(4) an Opinion of Counsel acceptable to the Trustee stating in effect that such substitution complies with the applicable provisions of the Indenture; and

(5) with respect to each rating then applicable to the Series 2002-A Warrants, either (A) confirmation from the Rating Agency that issued such rating that such rating will not be withdrawn or revised as a consequence of the delivery of such Substitute Standby Purchase Agreement, or (B) certification from the County to the effect that, upon and after the delivery of such Substitute Standby Purchase Agreement, the Series 2002-A Warrants will not bear such rating and any offering materials pertaining to the Series 2002-A Warrants will reflect the absence of such rating.

(d) Any purchase of Series 2002-A Warrants that, under the terms of the Indenture, is to be made pursuant to the Standby Purchase Agreement on or prior to the effective date of a Substitute Standby Purchase Agreement shall be made under the existing Standby Purchase Agreement. At the close of business on the effective date of any Substitute Standby Purchase Agreement, the Trustee shall return the existing Standby Purchase Agreement to the County and the Bank obligated under such agreement, provided that any purchases under such existing Standby Purchase Agreement required on or prior to such date have been consummated.

(e) The Stated Expiration Date of any Standby Purchase Agreement may be extended by the Bank by delivery to the Trustee of an amendment or other document (if any) in the form required by such Standby Purchase Agreement. Such an extension shall not require the delivery of the Related Documentation required in connection with a Substitute Standby Purchase Agreement.

**Section 2.11 Cancellation of Standby Purchase Agreement.** (a) The County may cancel any Standby Purchase Agreement then in effect on any date specified by the County upon 30 days' prior notice to the Trustee, the Tender Agent, the Bond Insurer, the Remarketing Agent and the Bank; provided, however, that:

(1) no such cancellation may be effected unless (i) all Series 2002-A Warrants have been converted to a Term Rate for a Term Rate Period extending to their maturity or (ii) the cancellation date is for all Series 2002-A Warrants a Conversion Date, a Flexible Rate Interest Payment Date or the last day of a Term Rate Period;

(2) the County delivers to the Trustee a Favorable Tax Opinion; and

(3) the Trustee shall not cancel the Standby Purchase Agreement unless any purchases under the Standby Purchase Agreement required on or prior to the cancellation date have been consummated.

(b) The Standby Purchase Agreement may not be terminated with respect to only a portion of the Series 2002-A Warrants at the time secured thereby.

### ARTICLE III

#### REDEMPTION OF SERIES 2002-A WARRANTS

**Section 3.1 When Series 2002-A Warrants Are Subject to Redemption.** The Series 2002-A Warrants may be redeemed prior to Maturity at the option of the County as follows:

(A) On any Interest Payment Date when a Series 2002-A Warrant is in the Variable Rate Mode, on any Flexible Rate Interest Payment Date with respect to a Series 2002-A Warrant, and on any Conversion Date with respect to a Series 2002-A Warrant, such Series 2002-A Warrant may be redeemed in whole or in part at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the date of redemption.

(B) Series 2002-A Warrants in the Term Rate Mode are not subject to optional redemption during any Term Rate Period of 5 years or less. During any Term Rate Period of more than 5 years with respect to a Series 2002-A Warrant, such Series 2002-A Warrant may be redeemed in whole or in part on or after the First Optional Call Date (as defined below) at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the date of redemption plus a redemption premium (expressed as a percentage of principal amount redeemed) equal to whichever of the following shall be applicable: 2% if the date of redemption is on or after the First Optional Call Date but prior to the first anniversary of the First Optional Call Date; 1% if the date of redemption is on or after the first anniversary of the First Optional Call Date but prior to the second anniversary of the First Optional Call Date; and without premium if the date of redemption is on or after the second anniversary of the First Optional Call Date. For any Term Rate Period of more than 5 years but not more than 10 years, the First Optional Call Date shall be the fifth anniversary of the beginning of the Term Rate Period. For any Term Rate Period of more than 10 years but not more than 20 years, the First Optional Call Date shall be the anniversary of the beginning of the Term Rate Period that is on or immediately after the midpoint of such Term Rate Period. For any Term Rate Period of more than 20 years, the First Optional Call Date shall be the tenth anniversary of the beginning of the Term Rate Period.

**Section 3.2 Election to Redeem; Notice to Trustee.** The election of the County to exercise any right of optional redemption shall be evidenced by notice to the Trustee from an Authorized County Representative. The notice of election to redeem must be received by the Trustee at least 60 days prior to the date fixed for redemption (unless a shorter notice is acceptable to the Trustee) and



shall specify (i) the principal amount of Series 2002-A Warrants to be redeemed (if less than all Series 2002-A Warrants outstanding may be redeemed pursuant to such option) and (ii) the redemption date, subject to the provisions of the Indenture with respect to the permitted period for such redemption.

**Section 3.3 Selection by Trustee of Series 2002-A Warrants to be Redeemed.** (a) Subject to the provisions of subsection (b) of this section, if less than all Series 2002-A Warrants are to be redeemed, the particular Series 2002-A Warrants to be redeemed shall be selected by the Trustee not less than 30 nor more than 60 days prior to the redemption date from the outstanding Series 2002-A Warrants then eligible for redemption by lot or by such other method as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions (in Authorized Denominations) of the principal of Series 2002-A Warrants in a denomination larger than the smallest Authorized Denomination.

(b) Notwithstanding any other provision of this Fourth Supplemental Indenture, all Bank Warrants eligible for redemption shall be redeemed before any other Series 2002-A Warrants are redeemed.

(c) The Trustee shall promptly notify the County and the Tender Agent of the Series 2002-A Warrants selected for redemption and, in the case of any Series 2002-A Warrant selected for partial redemption, the principal amount thereof to be redeemed.

(d) For all purposes of the Indenture, unless the context otherwise requires, all provisions relating to the redemption of Series 2002-A Warrants shall relate, in the case of any Series 2002-A Warrant redeemed or to be redeemed only in part, to the portion of the principal of such Series 2002-A Warrant which has been or is to be redeemed.

**Section 3.4 Notice of Redemption.** (a) Unless waived by the Holders of all Series 2002-A Warrants then outstanding to be redeemed, notice of redemption shall be given by registered or certified mail, mailed not less than 30 nor more than 60 days prior to the redemption date, to each Holder of Series 2002-A Warrants to be redeemed, at his address appearing in the Warrant Register.

(b) All notices of redemption shall state:

- (1) the redemption date,
- (2) the redemption price,
- (3) the principal amount of Series 2002-A Warrants to be redeemed, and, if less than all outstanding Series 2002-A Warrants are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2002-A Warrants to be redeemed,

(4) that on the redemption date the redemption price of each of the Series 2002-A Warrants to be redeemed will become due and payable and that the interest thereon shall cease to accrue from and after said date,

(5) the place or places where the Series 2002-A Warrants to be redeemed are to be surrendered for payment of the redemption price, and

(6) unless moneys or securities (or a combination thereof) sufficient to provide for the payment in full of the redemption price on the redemption date are then held by the Trustee, a statement to the effect that such redemption is conditioned upon the Trustee's receipt, in a timely manner, of the moneys required to pay the applicable redemption price and that, in the event that such moneys are not so received by the Trustee, such redemption will not occur.

(c) Notice of redemption of Series 2002-A Warrants shall be given by the County or, at the County's request, by the Trustee in the name and at the expense of the County.

**Section 3.5 Deposit of Redemption Price.** On or before the applicable redemption date, an amount of money sufficient to pay the redemption price of all the Series 2002-A Warrants which are to be redeemed on that date shall be deposited with the Trustee. Such money shall be held in trust in the Debt Service Fund (or in another trust fund established for such purpose) for the benefit of the persons entitled to such redemption price and shall not be deemed to be part of the Trust Estate.

**Section 3.6 Series 2002-A Warrants Payable on Redemption Date.** (a) Notice of redemption having been given as aforesaid, the Series 2002-A Warrants to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the County shall default in the payment of the redemption price) such Series 2002-A Warrants shall cease to bear interest. Upon surrender of any such Series 2002-A Warrant for redemption in accordance with said notice, such Series 2002-A Warrant shall be paid by the County at the redemption price. Installments of interest due on or prior to the redemption date shall be payable to the Holders of the Series 2002-A Warrants registered as such on the relevant record dates according to the terms of such Series 2002-A Warrants and the provisions of the Indenture.

(b) If any Series 2002-A Warrant called for redemption shall not be paid upon surrender thereof for redemption, the principal (and premium, if any) shall, until paid, bear interest from the redemption date at the Post-Default Rate.

**Section 3.7 Series 2002-A Warrants Redeemed in Part.** Unless otherwise provided herein, any Series 2002-A Warrant which is to be redeemed only in part shall be surrendered at the Office of the Trustee with all necessary endorsements for transfer, and the County shall execute and the Trustee shall authenticate and deliver to the Holder of such Series 2002-A Warrant, without service charge, a new Series 2002-A Warrant or Series 2002-A Warrants of the same Maturity and interest rate and of any Authorized Denomination or Denominations as requested by such Holder in